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LAST MINUTE NEWS

Puritan oil returns to Grey

CINCINNATI—Puritan & Gamble Co. moved its \$10 million Puritan oil account back to Grey Advertising from N W Ayer, both New York. Grey already has the company's \$11 million Crisco account. The account moved to Ayer last summer; the move back to Grey was prompted by the decision to market both brands under the Crisco banner.

Tambrands review on hold?

LAKE SUCCESS, N.Y.—The \$30 million-plus Tambrands account review has apparently been delayed following the departure of VP-Marketing Celene Varasano. Sources said the three finalists, incumbent Ally & Gargano, BBDO Worldwide and McCann-Erickson Worldwide, all New York, had expected a decision as early as this week. But now, the shops are slated to meet Aug. 8 with Tambrands CEO Martin Emmett. A company spokesman wouldn't confirm the meeting; he confirmed Ms. Varasano's departure but said it wouldn't affect the review.

Carat, Espace split up

PARIS—The stormy media buying partnership between Carat Espace and Eurocom has ended after slightly more (Continued on Page 8)

Advertising Age

AmEx eyes K-III deal

Possible magazine 'alliance' could help both

By Scott Donaton

NEW YORK—American Express Co. may soon approach K-III Holdings to discuss some form of "strategic alliance" of their consumer magazine operations, said a source familiar with AmEx's plans.

It's unclear what shape such an alliance might take, but the possibilities ranged from an outright merger of the publishing companies to the formation of an ad sales partnership, the source said.

However, it appears likely Thomas O. Ryder, president-executive publisher of American Express Publishing Corp., would oversee the combined company if a merger results.

AmEx and K-III executives declined comment late last week.

K-III, a partnership controlled by investment banker Kohlberg Kravis Roberts & Co., last month completed a \$650 million acquisition of nine pub-

"Anything's possible because K-III is run by money people, not magazine people."

lications, including eight consumer magazines, from Rupert Murdoch's News Corp.

The company is nearing the conclusion of a search for a president to

oversee the consumer magazines, and observers had speculated K-III might try to acquire AmEx's magazine group and/or hire Mr. Ryder, a respected magazine industry veteran.

The source close to AmEx said a more likely scenario would be a joint venture between the two companies.

"This notion of putting together a big company ... is not a crazy notion," the source said. "In all [the rumors], there is a nugget of an idea."

Mr. Ryder's mandate is to boost AmEx Publishing, the source said, and it appeared unlikely he would leave AmEx since he's considered a potential successor to Chairman-CEO James Robinson. In addition to the (Continued on Page 38)

Cost-cutting about-face

Nestle, Unilever trying to ensure agency pay adequate

By Laurel Wentz

Nestle and Unilever, two of the world's largest consumer-product marketers, are looking at loosening the purse strings with their ad agencies.

The marketers, which combined spend an estimated \$5 billion on advertising worldwide, seem to have separately concluded that the industry's rampant compensation-cutting trend may have sliced too deep.

"The tendency of the industry has been too hard on the agencies to cut

down commissions," said Michel Reinarz, director of visual communication for Nestle. "As a big advertiser,

"The tendency of the industry has been too hard on the agencies to cut down commissions."

we see the need to maintain the quality of agencies."

He said Nestle, spending about \$1.5 billion a year on advertising world-

wide, has put together its first compensation policy dealing with the issue.

Nestle uses five preferred agencies: McCann-Erickson Worldwide, Ogilvy & Mather, Lintas Worldwide, J. Walter Thompson Co. and Publicis FCB.

"Both [Nestle and Unilever] have listened to the pros and cons and are determined compensation should not be settled at too low a level and locally," said an agency executive familiar with both companies. "They (Continued on Page 38)

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Ad packages: Conde Nast studies corporate ad flexibility. **Page 3**

What's in, what's out on shopping lists

Dollar sales, first quarter 1991 vs. first quarter 1990.

✓ Canned soups:	+7%
✓ Dry soups:	+7%
✓ Frozen pizza:	+5%
✓ Packaged dry dinners:	+5%
✓ Frozen breakfasts:	+3.5%
✓ Refrigerated lunches:	+2%
✓ Frozen dinners:	+1%

Recession stalks food aisles

By John Depp and Julie Lissner

The packaged food industry, long considered recession-proof, is proving vulnerable to a weak economy after all.

The bottom line is that consumers aren't necessarily eating any less than before but they're eating cheaper, industry experts say. During the height of the recession, in the first quarter of this year, retail-food dollar volume fell 1.4%, say food industry executives who acknowledged the downturn caught them by surprise.

"Our original philosophy was that the recession wouldn't affect retail food," said Shon's Supermarkets Chairman John Shon. "We figured people wouldn't eat out as much and supermarket sales volume would increase. But they're here to stay."

Also, what's being bought in supermarkets is being bought in the cheap.

Marketers are spending on more coupons, and consumers are redeeming them more, say food industry executives.

But even so, the industry is still in a recession, say food industry executives, and they're looking for ways to survive.

Pressed, CMS' marketing research manager.

Private label brands are on the upswing, too.

"I'm increasing my private label advertising to give the (Continued on Page 39)

So no wonder when times are tough, America thinks of us as a friend.

NEWS SUMMARY

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Burnett tests hookup with Atlanta agency

By Scott Hume

CHICAGO—Leo Burnett Co. has established a non-equity partnership with an Atlanta agency and is considering similar arrangements in other markets.

The move represents a softening of the No. 1 U.S. agency's traditional aversion to branch offices.

Leo Burnett USA, national agency for General Motors Corp.'s Oldsmobile division, has been quietly working in tandem with Anderson, Dusenbury & Alban, a year-old shop that handles the Southern Olds Family, the local Oldsmobile dealers association.

The two agencies are sharing national marketing plans, local perspectives on promotions and local retailer reaction to national programs. Burnett also makes available training programs, con-

sumer research and media analysis.

The partnership is a test to "determine whether strong cooperation with strong regional agencies will better build our clients' local business in specific markets," said Jim Oates, vice chairman-client services for Leo Burnett USA.

The agency is exploring similar cooperative agreements with shops in other markets where they share clients with local distribution networks. That could include such Burnett clients as Black & Decker Corp., McDonald's Corp., Miller Brewing Co., Schenley Industries and Seven-Up Co.

But the agency said it's still evaluating Atlanta and is simply studying whether to extend the approach.

Burnett USA had billings last year of \$2.035 billion. It has serv-

ice/production offices in Los Angeles, New York and Southfield, Mich., but traditionally has centralized account services, creative and media functions at its headquarters and has shunned opening branch offices.

The agency is casting local-area marketing services as an extension of the Retail Marketing Group, formed in January. That unit encompasses sales promotion and event marketing services; another internal division handles direct marketing.

Anderson President Ernest Anderson worked as an account exec at Burnett from 1967 to 1971, when he moved to Atlanta. In 1990, the agency's first year, it had billings of \$10.5 million. It also handles regional work for Lanier Worldwide's voice products and NAPA automotive stores. □

McD pecks at KFC's turf

By Scott Hume

McDonald's Corp. is getting serious about going head to head with chicken champ Kentucky Fried Chicken Corp.

McDonald's is testing skinless, oven-roasted chicken in four stores in Kankakee, Ill., while it expands the availability of fried chicken wings in Chicago and several other urban markets.

A McDonald's Corp. spokeswoman confirmed the four-store test, which she called "an operational test." The spokeswoman said it's too early for the company to decide whether to expand the test.

Two years ago, franchisees in Texas briefly tested fried chicken, but McDonald's now believes skinless, roast chicken better meets consumer health concerns.

McDonald's latest chicken product, sold from 10:30 a.m. until closing, is priced at \$1.99 for a leg and thigh; \$2.99 for a leg, thigh and breast; and \$7.99 for a nine-piece box. A two-piece "meal combo" with fries and coleslaw is priced at \$2.99; the three-

piece combo is \$3.99.

Advertising has been limited to point-of-purchase merchandising. McDonald's national agency, Leo Burnett USA, Chicago, is handling the test's promotional materials.

McDonald's is trying special ovens as well as its current ovens,

McDonald's per-store sales have been declining quarterly for more than two years.

used for baking biscuits, to roast chicken, the spokeswoman said.

KFC apparently agrees about going skinless. Earlier this month, the chicken leader changed to Skin-free Crispy the name of a skinless fried chicken now rolling national. The product, previously called Lite'n Crispy, is available in stores in the Northeast and Southeast but should be national by yearend.

Where sold, the skinless product already accounts for one-third of sales, the company said.

In Midwest and Western markets not selling Skinfree Crispy, KFC has been selling Honey BBQ Wings, as well as the Hot Wings product it introduced nationally last year. KFC also continues to test its own version of roast chicken in Las Vegas stores.

Young & Rubicam, New York, handles KFC's national advertising.

Chicken chains accounted for sales of \$5.22 billion in 1990, or 9.8% of the \$53.5 billion in total sales by the top 100 fast-food chains, according to Technomic, a consultancy. KFC's \$3.2 billion in U.S. sales gave it a commanding 61.5% share.

Hamburger chains had sales of \$27 billion, of which McDonald's \$12.25 billion represents 45.4%.

But McDonald's per-store sales have been declining quarterly for more than two years, pushing the chain to look at more and different menu items to spark consumer interest.

It recently added Chicken Fajitas and a Breakfast Burrito to its menu nationally as limited-time items. □

Jordan jumping for Gatorade

By Julie Llesse

CHICAGO—Quaker Oats Co. in early August plans to announce the signing of Michael Jordan as Gatorade spokesman.

Quaker already has filmed TV spots with the Chicago Bulls superstar and has produced a magazine insert scheduled for a late summer debut, said sources close to the deal.

To maintain secrecy, Quaker agency Bayer Bess Vanderwarker and Mr. Jordan's management team filmed the spots abroad, these sources said.

Mr. Jordan and his representatives at ProServ also likely felt a need to observe his Coca-Cola Co. contract, which expires July 31.

Quaker executives officially would say only that no contract with Mr. Jordan has been signed yet; ProServ officials refused to

confirm or deny the reports, which initially surfaced during the National Basketball Association playoffs (AA, June 10).

Luring Mr. Jordan is a reported \$18 million, multiyear deal with Gatorade, and a starring role in the sports drink's advertising. He's been a peripheral part of the multifaceted advertising

for Coca-Cola Classic—appearing in only two TV spots, albeit heavy media buys.

Coca-Cola last week said it was still negotiating with Mr. Jordan.

Coca-Cola spokesman Bob Bertini said the current spot starring Mr. Jordan is scheduled to run through the end of this

month.

Industry estimates pin Mr. Jordan's total endorsement fees at \$11 million to \$15 million yearly, in deals with a broad range of local and national marketers including Nike, McDonald's Corp., General Mills' Wheaties, Chevrolet dealers and Sara Lee Corp.'s Hanes underwear.

Gatorade, which five years ago was cautious about its ties to specific professional athletes in U.S. advertising, has more aggressively sought to capitalize on the ubiquitous presence of its orange coolers on the sidelines of most major league baseball, football and basketball games.

Quaker traditionally spends about \$30 million a year in media advertising for Gatorade in the U.S., via Bayer Bess. □

Alison Fahey and Steven W. Colford contributed to this story.



M. Jordan

Tune in, drop out

Network viewers least likely to switch channels

By Joe Mandese

TV viewers are less likely to tune out network TV shows than programming on other TV outlets, the Network Television Association reports.

MEDIA WORKS

A recent study based on prime-time viewing patterns in four major markets shows viewers are less likely to tune out highly rated shows. Since the Big 3 broadcast networks have the greatest share of high-rated programming, the association's study concludes network TV viewers are the least likely to change channels.

Conducted Nov. 12 to 18, the study shows that during the average 30-second viewing segment, only 2.9% of the Big 3's viewers tuned to another channel, while 4.2% of Fox Broadcasting Co.'s viewers zapped its shows (see chart). Independent TV stations lost an average of 5.2% of their audience to viewer volatility;

among cable networks Cable News Network, ESPN, the Family Channel, WTBS and USA Network, an average of 9.8% of audiences tuned out.

The association's findings appear to contradict research conducted by now-defunct research company Television Audience Assessment. During the mid-1980s, that group's research indicated viewer involvement was more tied

to a show's content than its ratings. For example, with CBS' highly rated shows "60 Minutes" and "The Dukes of Hazzard," viewers were more involved and less likely to tune out "60 Minutes" than "Dukes."

The study says the more involved viewers were with a TV program, the more likely they would stay tuned to commercials during that program. □



LAUNCHING PAD

New publication launches.

'CrimeBeat'

54 Corp. will introduce with a September issue *CrimeBeat*, a monthly targeting viewers of TV crime shows such as "America's Most Wanted" and "Unsolved Mysteries." The cover price is \$2.50. A b&w page is \$1,500; a color page is \$2,000. T.E.D. Klein is editor; Joseph Coleman is ad director. Offices are at 10 E. 39th St., Suite 1127, New York 10016. Phone: (212) 683-1017.

'Tricycle:

The Buddhist Review'

Buddhist Ray Inc. introduces with an August/September issue *Tricycle: The Buddhist Review*, a general-interest quarterly carrying stories on art, photography, poetry and film. Rate base is \$20,000. A b&w page is \$825. Helen Tworok is editor, and Mark Hannafin is ad director. Offices are at 163 W. 22nd St., New York 10011. Phone: (212) 645-1143.

'Exit Travel Magazine'

Exit Travel & Promotions has introduced with a summer issue



TV viewers on the crime beat are the target of a new monthly.

Exit Travel Magazine, targeting black tourists. Features include profiles on black organizations and executives in hospitality and travel industries. The magazine will publish twice a year. Controlled circulation is 175,000. A b&w page costs \$5,750; a color page is \$8,250. Cheryl Rafra is publisher, Paulette Quann is editor and George Jackson is ad director. Offices are at 1 Lincoln

Plaza, Suite 30V, New York 10023. Phone: (212) 787-4040.

'Designers World'

Designers World Corp. will introduce in September *Designers World*, a monthly companion to interior design magazine *Designers West*. Rate base is 18,000. A b&w page is \$2,400; a color page is \$2,900. Walton E. Brown is publisher and ad director; Carol King is editor. Offices are at 8914 Santa Monica Blvd., Los Angeles 90069. Phone: (213) 657-8231.

'Physicians Food Advisor'

Cahners Healthcare Publishing Group, publisher of *The American Journal of Medicine*, will introduce with a September issue *Physicians Food Advisor*, a nutrition journal for doctors. The quarterly features information from package-foods marketers and restaurant chains. Controlled circulation is 84,000. A b&w page is \$7,780; a color page is \$9,730. Steve Claps is publisher and ad director; Joseph Angione is editor. Offices are at 249 W. 17th St., New York 10011. Phone: (212) 463-6445. □

NEWSSTAND

Advertising opportunities in print.

Working-Woman, New York, "85 best companies for working mothers" special editorial section, October issue; ad close: July 17. B&w page: \$20,458; color page: \$24,960.

Parade, New York, "Simple garden vegetables made special" special editorial section, Aug. 18 issue; ad close: July 18. Color page: \$338,100.

USA Today, New York, "PGA championships" special section, Aug. 8 issue; ad close: July 18. B&w page: \$66,131; color page: \$85,971.

Cosmopolitan, New York, "Women in love" special advertising

section, October issue; ad close: July 19. B&w page: \$47,590; color page: \$64,045.

Metropolitan Home, New York, "Elegant renovation" special advertising section, October issue; ad close: July 19. B&w page: \$27,095; color page: \$36,125.

California, Los Angeles, "Mexico" special advertising section, September issue; ad close: July 22. B&w page: \$15,755; color page: \$21,010.

1,001 Home Ideas, New York, "Nutritional lunchbox" special ad section, October issue; ad close: July 22. Color page: \$39,350.

Golf Digest, Trumbull, Conn., "Golf course real estate" special advertising section, October issue;

ad close: July 23. B&w page: \$43,150; color page: \$64,730.

Nation's Business, Washington, "Computers, the portable office" special ad section, September issue; ad close: July 25. B&w page: \$24,590; color page: \$36,790.

Newsweek, New York, "Your home" special ad section, Sept. 9 issue; ad close: July 26. B&w page: \$28,875; color page: \$46,200.

The New York Times, New York, "The good health magazine" special edition, Oct. 6 issue; ad close: July 29 (color), Aug. 20 (b&w). B&w page: \$29,185; color page: \$42,570.

Joe Mandese coordinates MediaWorks.

MEDIA MIX



Public broadcasting station-member magazines hope a combination buy will lure more national marketers.

PBS title network woos national ads

News briefs on print, electronic and alternative media.

Networking. The member magazines of six public broadcasting TV stations have joined forces to create the Public Broadcasting National Print Network in an effort to attract more national ads. The upscale monthlies have a combined paid circulation of 951,000 in Chicago, Los Angeles, Philadelphia, San Diego, Seattle and Washington. A b&w page with the network is \$18,635; a color page is \$26,289. Target categories include travel, books, entertainment and the arts, said Gwyn Price, West Coast network manager and ad director of *On Air*, the member magazine of KPBS-TV, San Diego. The magazines had relied on local ads and a handful of national ads from the underwriters of public television. At least one more title is expected to join by yearend.

Student orientation. Modern Talking Pictures Service, New York, in September introduces *Modern College TV*, running on monitors in high-traffic areas on 160 college campuses, targeting 1.8 million students. The video digest carries programming developed monthly as well as spots ranging from 30 seconds to 3-minute infomercials. Four half-hour segments run continuously for a month. A :30 costs \$5,625, a :60 is \$11,250 and a 3-minute slot is \$33,000. Advertisers already signed include package goods and financial services marketers as well as the federal government.

Impersonating a winner. Black Entertainment Television, Burger King Corp., Delta Air Lines and *Essence* have teamed for the Burger King "True Identity" contest. Through Aug. 1, contestants call a 900 number and record their 30-second celebrity impersonation. The 10 best win a trip to Pleasure Island for the premiere of "True Identity," from Walt Disney Co.'s Touchstone Films. An ad in *Essence* and a spot on BET support. Uni-World Group, New York, handles the promotion for Burger King. Buena Vista Pictures, Los Angeles, handles for the others.

National Lampoon tries TV. National Lampoon Inc., Los Angeles, this month launches its first national TV campaign with spots on cable networks including MTV: Music Television, VH-1: Video Hits One and Nickelodeon. A second flight breaks in the fall on independent TV stations in the top 20 markets, targeting men 18 to 34. Direct Response Marketing, Encino, Calif., handles.

Off-net is on target. Off-network series and purchased movies give basic cable networks the highest ratings, according to a Warner Bros. study released last week. Research of first-quarter viewership of eight leading basic cable networks showed "popular, high-quality, off-net series are basic cable's highest-rated daily programming and acquired movies—theatrical and off-network made-for-TV features—are basic cable's highest-rated non-sports-related one-time programming," said Edward Bleier, president of Warner Bros. Pay-TV, Animation & Network Features. □

NEW AD RATES

Americana, New York: Rate base unchanged at 200,000; b&w page to \$5995, up 5%; color page unchanged at \$8580.00; b&w cost per thousand to \$30.00, up 5%; color CPM unchanged at \$43.00. Effective: November/December issue.

Country America, Des Moines, Iowa: Rate base to 700,000, up 7.7%; b&w page to \$18,350, color page to \$26,210, both up 4%; b&w CPM to \$26.21, down 3.5%; color CPM to \$37.44, down 3.4%. Effective: September issue.

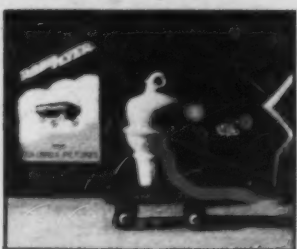
Details, New York: Rate base to 125,000, up 25%; b&w page to \$7,500, color page to \$11,250, both up 25%; b&w CPM to \$60, color CPM to \$90, both un-

changed. Effective: July issue.

Midwest Living, Des Moines, Iowa: Rate base unchanged at 650,000; b&w page to \$15,200, color page to \$21,800, both up 7%; b&w CPM to \$23.38, color CPM to \$33.54, both up 7%. Effective: March/April issue.

Philadelphia, Philadelphia: Rate base unchanged at 140,000; b&w page to \$6,675, color page to \$9,945, both up 6%; b&w CPM to \$47.67, color CPM to \$71, both up 6%. Effective: March issue.

Utne Reader, Minneapolis: Rate base to 240,000, up 7%; b&w page to \$7,120, color page to \$10,325, both up 10%; b&w CPM to \$29.67, color CPM to \$43.10, both up 3%. Effective: July/August issue. □



Dairy Queen 'Flyer'

International Dairy Queen joins the kids meal bandwagon today, breaking its first advertising targeted to children. The 30-second TV commercial supports its new Dairy Queen Treatmeal and announces a premium tie-in with Columbia Pictures' "Radio Flyer." The film is planned for fall release. Campbell-Mithun-Esty, Minneapolis, created the animated spot, which is airing in 80 spot markets nationally.

Juice & More, or less

Gerber stops test of adult drink after 10 months

By John P. Cortez

Gerber Products Co.'s latest foray into adult foods is over after less than a year.

Gerber has stopped production of Juice & More, a fiber-fortified beverage aimed at health-conscious adults. The baby food marketer had been testing the product on the East Coast since last September.

The termination signals the end of Gerber's latest attempt to move its brand name into the adult market.

"The company is directing all its efforts toward its Superbrand

strategy," said spokesman Jim Lovejoy, adding that Gerber products will be aimed squarely at children 3 and under. Gerber has positioned itself as a "Superbrand" that provides food, clothing and care items for infants and toddlers under one brand name.

Gerber's investment in Juice & More totaled nearly \$20 million, but the beverage failed to make much of a dent in the \$8.4 billion U.S. juice market. The juice was sold in 7,000 supermarkets in 10 Eastern cities.

A 1960s attempt at selling single-serving entrees to older adults also failed.

"Adults don't like to eat or drink baby products," said Roger Spencer, analyst with PaineWebber.

Gerber dominates the U.S. baby food industry with a 72% share of the \$940 million market in 1990. In the fiscal year ended March 31, the company reported earnings were up 19% to \$112.8 million on sales of \$1.2 billion, up 3.7%.

J. Walter Thompson USA, Chicago, handled Juice & More until February, when Gerber consolidated its \$15 million to \$20 million baby food and general merchandise account at Grey Advertising, New York. □

Food

(Continued from Page 1)

impression that Sloan's offers a lower-price shopping trip," Mr. Rose said.

Consumer belt tightening is putting the heat on food marketers to meet volume goals by yearend, and many are responding by pouring on price promotions.

"Manufacturers are promoting the bejesus out of the business," said Gary Stibel, principal of the New England Consulting Group. "[They] have to make their quarterly [profit] numbers, and they're panicking."

"Manufacturers are promoting the bejesus out of the business. [They] have to make their quarterly [profit] numbers, and they're panicking."

The recession has been a mixed blessing for some companies, which had strong first-quarter sales in low-price lines while more expensive ones slipped.

Best Foods President Robert Gillespie said sales of the company's Thomas English muffins declined last year but the company's less expensive bread lines picked up—a trend that continued into the first quarter of 1991.

Dollar sales of English muffins declined 7% during the quarter and volume was down 4%, according to Information Resources Inc.'s InfoScan service. And while

fresh-bread dollar volume overall was down 1% in the first quarter, lower-price lines such as Interstate Brands Corp.'s Butternut and Ralston Purina Co.'s Wonder were up 2% each.

The situation is similar at Campbell Soup Co., where the premium-price Pepperidge Farm line of bakery products showed volume declines of up to 7% during the company's fiscal 1991 ending July 31, but the value-price Swanson frozen dinner line scored a 15% record volume gain.

The company's inexpensively priced condensed-soup line is also up 4% after years of flat growth, said Campbell North America President Herb Baum.

Campbell, in fact, tried to turn the recession to its advantage in a trade ad that ran in February in *Supermarket News*, promoting a survey in which homemakers cited Campbell as the brand name they turn to "in tough times." FCB/LGK, Philadelphia, handles Campbell's trade account.

While trading down is common in recessions, consumer reaction in this recession is unlike past ones, said John Blair, VP-marketing services at Quaker Oats Co.

"Not all the same kinds of foods are doing well," he said. "We've seen a bit of a response in staple products like pancake mix, but it's not the response we saw in the last recession—nor have we seen a sales surge in hot cereals as we did last time."

Consumers are also more resistant to price increases, said Best Foods' Mr. Gillespie. He cited his company's Skippy peanut butter, which was raised in price earlier this year due to a poor crop.

"Peanut butter is a more price-sensitive category than even two or three years ago and much more than

in the last recession," he said.

According to InfoScan, peanut butter pound volume in supermarkets plunged 11% in the first quarter.

Higher resistance to price increases is also hurting olive oil, a category that enjoyed consistent double-digit volume gains in the 1980s.

"The updraft driving the frozen category is the microwave."

Bertolli USA President Bill Monroe said a poor olive crop led the company to hike the price of a half-liter bottle 27.1% to \$4.69 and unit sales plummeted 20% in the first quarter.

The price hike was followed by competitors and category unit volume sputtered down by 10%, he said.

As a result, Mr. Monroe said, Bertolli will spend "less than \$1 million on advertising" in the second half, shifting a remaining \$2 million initially earmarked for advertising into couponing and co-op ads with retailers.

The recession has also slowed the growth of orange juice consumption, said Bob Behr, economic research director for the Florida Department of Citrus. That led the department to reconfigure its 18% sales increase prediction for 1991 downward to 13%.

But chilled orange juice consumption is still up, indicating consumers' need for convenience may outweigh their need to save money, a phenomenon that's also apparent in frozen dinners and entrees.

InfoScan reports frozen dinner

and entree dollar sales up 2%, with unit volume down; but Quaker's Mr. Blair said the market seems to be more protected this time around.

"The updraft driving the frozen category is the microwave," he said.

And as consumers look to save money, a few frozen food categories may actually benefit. Frozen breakfast sales jumped 3.5% in the first quarter while the \$1.1 billion frozen pizza market rose 5%, IRI says.

Although some observers believe those sales are coming at the expense of fast-food marketers like McDonald's Corp. and Domino's Pizza, the restaurant industry in general seems to be faring better than many expected.

"Foodservice still is outperforming supermarkets," said Ron Paul, president of Technomic Consultants, a restaurant consulting company.

The industry showed 0.1% real growth for the 12 months ended in April 1991, compared with the 12 months ended April 1990, he said. Despite an 0.8% drop in real growth in January compared with the same period a year ago, Technomic recorded a 0.2% rise in real

growth in February.

But for supermarket brands, there may be no upturn until at

"Foodservice still is outperforming supermarkets."

least the fourth quarter of this year, consultant Mr. Stibel said.

"On average, 1991 will turn out to be a poor year for the advertising industry," he said. "Manufacturers who had not prepared for the recession will have to continue to dramatically trim their investment spending." □

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Liability

(Continued from Page 3)

solely liable for payment to the extent proceeds have cleared from the Advertiser to the Agency for advertising published in accordance with the contract. For sums owing but not cleared to the Agency, the [media company] agrees to hold the Advertiser named on the face of this form solely liable."

Some large agencies, including McCann-Erickson Worldwide, said they support sequential liability but were waiting to review the Four A's language before proceeding.

Other agencies said the issue had to be approached on a client-

by-client, media-by-media basis and could take a while to resolve.

The problems with getting media companies to accept sequential liability contracts were outlined in a bulletin sent to Four A's members in June. In the bulletin, agencies were advised that they have three choices if a sequential liability contract is rejected: "1) With your client's agreement, you can refuse to place the order under any terms other than those of sequential liability. 2) You can continue to use an insertion order or contract having sole liability language, but your client should be made aware that media use of different liability language could, under the worst circumstances, mean that an advertiser might have to pay twice.

3) You can accept the liability terms proposed by the medium. If you do this, your client should be aware of his potential 'double exposure' if dual liability is imposed." □

Joe Mandese and Scott Hume contributed to this story.

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S4, S6, S7, S10, S14, S18-S22,

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